

AMENDED IN SENATE AUGUST 22, 2014

AMENDED IN SENATE AUGUST 11, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

## ASSEMBLY BILL

**No. 1478**

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**Introduced by Committee on Budget (Skinner (Chair), Bloom, Campos, Chesbro, Dababneh, Daly, Dickinson, Gordon, Jones-Sawyer, Mullin, Muratsuchi, Nazarian, Rodriguez, Stone, Ting, and Weber)**

January 9, 2014

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An act to amend, repeal, and add Section 5956.10 of the Government Code, to amend Section 50661 of the Health and Safety Code, to amend ~~Section~~ *Sections* 25416 and 31111.5 of the Public Resources Code, and to amend Sections 62 and 193 of Chapter 35 of the Statutes of 2014, relating to public resources, and making an appropriation therefor, to take effect immediately, bill related to the budget.

### LEGISLATIVE COUNSEL'S DIGEST

AB 1478, as amended, Committee on Budget. Public resources.

(1) Existing law authorizes a governmental agency to solicit proposals and enter into agreements with private entities for the design, construction, or reconstruction of, and to lease to private entities, specified types of fee-producing infrastructure projects. Existing law prohibits a state agency or specified governmental agencies from using this authorization to design, construct, finance, or operate a state project, as specified.

This bill, until December 31, 2019, would specify that a state project, for these purposes, does not include a governmental agency project

financed through the State Water Pollution Control Revolving Fund or the Safe Drinking Water State Revolving Fund.

(2) Existing law creates the Housing Rehabilitation Loan Fund and continuously appropriates moneys in the fund for, among other purposes, making specified deferred payment housing rehabilitation loans. Prior to June 20, 2014, existing law authorized, to the extent no other funding sources were available, \$10,000,000 in the fund to be used by the department for the purpose of providing housing rental-related subsidies to persons rendered homeless, or at risk of becoming homeless, due to unemployment, underemployment, or other economic hardship resulting from the state of emergency proclaimed by the Governor based on drought conditions.

This bill would, to the extent no other funding sources are available, reauthorize that \$10,000,000 in the fund to be used by the department for the above-stated purposes.

(3) The Energy Conservation Assistance Act of 1979 establishes the State Energy Conservation Assistance Account, a continuously appropriated account, that is administered by the State Energy Resources Conservation and Development Commission to provide grants and loans to various public entities to maximize energy use savings in existing and planned buildings and facilities. Existing law, the Budget Act of 2014, transfers, upon order of the Director of Finance, moneys from the Greenhouse Gas Reduction Fund to the account for those purposes.

This bill would create a continuously appropriated subaccount within the State Energy Conservation Assistance ~~Account~~ *Account* to track the award and repayment of loans made with moneys transferred from the Greenhouse Gas Reduction Fund, as specified. The bill would authorize moneys in the subaccount to be used for loans only for projects in buildings owned and operated by a state agency or entity, including, without limitation, the University of California and California State University.

(4) *Existing law establishes the State Coastal Conservancy in the Natural Resources Agency with prescribed powers and responsibilities for implementing a program of agricultural land protection, area restoration, and resources enhancement within the coastal zone, as defined. Existing law authorizes the conservancy, for the purpose of implementing the provisions governing the conservancy, to award a grant to a for-profit entity to accomplish the removal or alteration of the San Clemente Dam under specified conditions. Existing law limits the total expenditures of state moneys for the removal or alteration of*

*the San Clemente Dam and related activities to not more than \$25,000,000.*

*This bill would increase the limit on the total expenditure of state moneys for the removal or alteration of the San Clemente Dam and related activities to not more than \$30,000,000.*

(4)

(5) Existing law, the Budget Act of 2014, appropriates the unencumbered balance of specified moneys appropriated in the Budget Act of 2003 for the State Department of Public Health to the State Water Resources Control Board for encumbrance or expenditure until June 30, 2016, for the purposes of providing grants of up to \$500,000 per project for public water systems to address drought-related drinking water emergencies or threatened emergencies.

This bill would make those moneys available for liquidation until June 30, 2018.

This bill also would make conforming changes.

(5)

(6) The California Global Warming Solutions Act of 2006 ~~establishes~~ *designates* the State Air Resources Board as the state agency responsible for monitoring and regulating sources emitting greenhouse gases. The act requires the state board to adopt a statewide greenhouse gas emissions limit, ~~as defined~~, to be achieved by ~~2020~~, 2020 equivalent to the statewide greenhouse gas emissions levels in 1990. Existing law authorizes the state board to adopt a schedule of fees to be paid by the sources of greenhouse gas emissions regulated pursuant to the act and requires those fees to be deposited in the Cost of Implementation Account. The act requires the state board to prepare and approve a scoping plan for achieving the maximum technologically feasible and cost-effective reductions in greenhouse gas emissions. The act requires the scoping plan to be updated at least once every 5 years.

This bill would appropriate \$529,000 from the Cost of Implementation Account to the Secretary of the Natural Resources Agency for the purpose of implementing elements of the scoping plan adopted by the State Air Resources Board.

(6)

(7) This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

Vote: majority. Appropriation: yes. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

SECTION 1. Section 5956.10 of the Government Code is amended to read:

5956.10. (a) Notwithstanding any other provision of this chapter, neither the state or any state agency shall directly or indirectly use the authority in this chapter nor shall any governmental agency, as defined in Section 5956.3, use the authority in this chapter to design, construct, finance, or operate a state project. For purposes of this section, a state project includes any of the following:

- (1) Tollroads on state highways.
- (2) State water projects.
- (3) State park and recreation projects.
- (4) State financed projects.

(b) These limitations shall not prohibit the state, any state agency, or any governmental agency, as defined in Section 5956.3, from utilizing authorizations contained in other provisions of law.

(c) For purposes of this section, a state project does not include a governmental agency project financed through the State Water Pollution Control Revolving Fund, established pursuant to Section 13477 of the Water Code, or the Safe Drinking Water State Revolving Fund, established pursuant to Section 116760.30 of the Health and Safety Code.

(d) This section shall become inoperative on December 31, 2019, and, as of January 1, 2020, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2020, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 2. Section 5956.10 is added to the Government Code, to read:

5956.10. (a) Notwithstanding any other provision of this chapter, neither the state or any state agency shall directly or indirectly use the authority in this chapter nor shall any governmental agency, as defined in Section 5956.3, use the authority in this chapter to design, construct, finance, or operate a state project. For purposes of this section, a state project includes any of the following:

- (1) Tollroads on state highways.
- (2) State water projects.

1 (3) State park and recreation projects.

2 (4) State financed projects.

3 (b) These limitations shall not prohibit the state, any state  
4 agency, or any governmental agency, as defined in Section 5956.3,  
5 from utilizing authorizations contained in other provisions of law.

6 (c) This section shall become operative on January 1, 2020.

7 SEC. 3. Section 50661 of the Health and Safety Code is  
8 amended to read:

9 50661. (a) There is hereby created in the State Treasury the  
10 Housing Rehabilitation Loan Fund. All interest or other increments  
11 resulting from the investment of moneys in the Housing  
12 Rehabilitation Loan Fund shall be deposited in the fund,  
13 notwithstanding Section 16305.7 of the Government Code.  
14 Notwithstanding Section 13340 of the Government Code, all  
15 money in the fund is continuously appropriated to the department  
16 for the following purposes:

17 (1) For making deferred-payment rehabilitation loans for  
18 financing all or a portion of the cost of rehabilitating existing  
19 housing to meet rehabilitation standards as provided in this chapter.

20 (2) For making deferred payment loans as provided in Sections  
21 50668.5, 50669, and 50670.

22 (3) For making deferred payment loans pursuant to Sections  
23 50662.5 and 50671.

24 (4) Subject to the restrictions of Section 53131, if applicable,  
25 for administrative expenses of the department made pursuant to  
26 this chapter, Article 3 (commencing with Section 50693) of Chapter  
27 7.5, and Chapter 10 (commencing with Section 50775).

28 (5) For related administrative costs of nonprofit corporations  
29 and local public entities contracting with the department pursuant  
30 to Section 50663 in an amount, if any, as determined by the  
31 department, to enable the entities and corporations to implement  
32 a program pursuant to this chapter. The department shall ensure  
33 that not less than 20 percent of the funds loaned pursuant to this  
34 chapter shall be allocated to rural areas. For purposes of this  
35 chapter, "rural area" shall have the same meaning as in Section  
36 50199.21.

37 (6) To the extent no other funding sources are available, ten  
38 million dollars (\$10,000,000), as provided in Section 4 of Chapter  
39 3 of the Statutes of 2014, may be used for the purposes of Section  
40 34085.

1 (b) There shall be paid into the fund the following:

2 (1) Any moneys appropriated and made available by the  
3 Legislature for purposes of the fund.

4 (2) Any moneys that the department receives in repayment of  
5 loans made from the fund, including any interest thereon.

6 (3) Any other moneys that may be made available to the  
7 department for the purposes of this chapter from any other source  
8 or sources.

9 (4) Moneys transferred or deposited to the fund pursuant to  
10 Sections 50661.5 and 50778.

11 (c) Notwithstanding any other law, any interest or other  
12 increment earned by the investment or deposit of moneys  
13 appropriated by subdivision (b) of Section 3 of Chapter 2 of the  
14 Statutes of the 1987–88 First Extraordinary Session, or Section 7  
15 of Chapter 4 of the Statutes of the 1987–88 First Extraordinary  
16 Session, shall be deposited in a special account in the Housing  
17 Rehabilitation Loan Fund and shall be used exclusively for  
18 purposes of Sections 50662.5 and 50671.

19 (d) Notwithstanding any other law, effective with the date of  
20 the act adding this subdivision, appropriations authorized by the  
21 Budget Act of 1996 for support of the Department of Housing and  
22 Community Development from the California Disaster Housing  
23 Repair Fund and the California Homeownership Assistance Fund  
24 shall instead be authorized for expenditure from the Housing  
25 Rehabilitation Loan Fund.

26 (e) Effective July 1, 2014, the California Housing Trust Fund  
27 in the State Treasury is abolished and any remaining balance,  
28 assets, liabilities, and encumbrances shall be transferred to, and  
29 become part of, the Housing Rehabilitation Loan Fund.  
30 Notwithstanding Section 13340 of the Government Code, all  
31 transferred amounts are continuously appropriated to the  
32 department for the purpose of satisfying any liabilities and  
33 encumbrances and the purposes specified in this section.

34 SEC. 4. Section 25416 of the Public Resources Code is  
35 amended to read:

36 25416. (a) The State Energy Conservation Assistance Account  
37 is hereby created in the General Fund. Notwithstanding Section  
38 13340 of the Government Code, the account is continuously  
39 appropriated to the commission without regard to fiscal year.

1 (b) The money in the account shall consist of all moneys  
2 authorized or required to be deposited in the account by the  
3 Legislature and all moneys received by the commission pursuant  
4 to Sections 25414 and 25415.

5 (c) The moneys in the account shall be disbursed by the  
6 Controller for the purposes of this chapter as authorized by the  
7 commission.

8 (d) The commission may contract and provide grants for services  
9 to be performed for eligible institutions. Services may include, but  
10 are not limited to, feasibility analysis, project design, field  
11 assistance, and operation and training. The amount expended for  
12 those services shall not exceed 10 percent of the unencumbered  
13 balance of the account as determined by the commission on July  
14 1 of each year.

15 (e) The commission may make grants to eligible institutions for  
16 innovative projects and programs. Except as provided in  
17 subdivision (d), the amount expended for grants shall not exceed  
18 5 percent of the annual unencumbered balance in the account as  
19 determined by the commission on July 1 of each fiscal year.

20 (f) The commission may charge a fee for the services provided  
21 under subdivision (d).

22 (g) Notwithstanding any other law, the Controller may use the  
23 State Energy Conservation Assistance Account for loans to the  
24 General Fund as provided in Sections 16310 and 16381 of the  
25 Government Code.

26 (h) (1) A subaccount is hereby created within the State Energy  
27 Conservation Assistance Account to track the award and repayment  
28 of loans, including principal, interest, and interest earnings on or  
29 accruing to the subaccount, made with moneys transferred to the  
30 account from the Greenhouse Gas Reduction Fund, created  
31 pursuant to Section 16428.8 of the Government Code.  
32 Notwithstanding Section 13340 of the Government Code, the  
33 subaccount is hereby continuously appropriated to the commission  
34 without regard to fiscal year.

35 (2) Moneys deposited in the subaccount may be used for loans  
36 only for projects in buildings owned and operated by a state agency  
37 or entity, including, without limitation, the University of California  
38 and California State University.

39 (3) Notwithstanding Section 39718 of the Health and Safety  
40 Code, a repayment of a loan made pursuant to this chapter with

1 moneys transferred from the Greenhouse Gas Reduction Fund  
2 shall be deposited in the subaccount and shall be available for a  
3 loan made to an entity eligible for these moneys pursuant to this  
4 subdivision.

5 *SEC. 5. Section 31111.5 of the Public Resources Code is*  
6 *amended to read:*

7 31111.5. (a) In implementing this division, the conservancy  
8 may award a grant to a for-profit entity to accomplish *the* removal  
9 or alteration of the San Clemente Dam if the conservancy finds  
10 that the project is of regional or statewide significance and that a  
11 grant to a public agency or nonprofit organization would not  
12 achieve removal or alteration of the San Clemente Dam.

13 (b) Notwithstanding subdivision (a), total expenditures of state  
14 ~~funds~~ moneys for the removal or alteration of the San Clemente  
15 Dam and related activities shall not exceed ~~twenty-five million~~  
16 ~~dollars (\$25,000,000)~~ *thirty million dollars (\$30,000,000)*.

17 ~~SEC. 5.~~

18 *SEC. 6. Section 62 of Chapter 35 of the Statutes of 2014 is*  
19 *amended to read:*

20 Sec. 62. It is the intent of the Legislature that the reorganization  
21 and transfer made by Sections 63 to 127, inclusive, Section 181,  
22 Section 182, Sections 187 to 191, inclusive, and Section 193 of  
23 this act be carried out in a manner to preserve state primacy under  
24 the federal Safe Drinking Water Act and that the terms of this act  
25 shall be liberally construed to achieve this purpose.

26 ~~SEC. 6.~~

27 *SEC. 7. Section 193 of Chapter 35 of the Statutes of 2014 is*  
28 *amended to read:*

29 Sec. 193. Notwithstanding any other law, the balance of the  
30 appropriation provided for in Item 4265-111-0001 of Chapter 2  
31 of the Statutes of 2014, for the purposes specified in Provision 3  
32 of that item, is hereby appropriated to the State Water Resources  
33 Control Board, as of June 30, 2014. These funds shall be available  
34 for encumbrance or expenditure until June 30, 2016, and available  
35 for liquidation until June 30, 2018, for purposes consistent with  
36 subdivisions (a) and (c) of Section 75021 of the Public Resources  
37 Code for grants pursuant to the Public Water System Drought  
38 Emergency Funding Guidelines adopted by the State Department  
39 of Public Health on March 28, 2014, for public water systems to  
40 address drought-related drinking water emergencies. The State



1 Water Resources Control Board shall make every effort to use  
2 other funds available to address drinking water emergencies,  
3 including federal funds made available for the drought, prior to  
4 using the funds specified in this section.

5 ~~SEC. 7.~~

6 *SEC. 8.* The sum of five hundred twenty-nine thousand dollars  
7 (\$529,000) is hereby appropriated from the Cost of Implementation  
8 Account, established pursuant to Section 16428.95 of the  
9 Government Code, to the Secretary of the Natural Resources  
10 Agency for the purpose of implementing elements of the scoping  
11 plan adopted by the State Air Resources Board pursuant to Section  
12 38561 of the Health and Safety Code.

13 ~~SEC. 8.~~

14 *SEC. 9.* This act is a bill providing for appropriations related  
15 to the Budget Bill within the meaning of subdivision (e) of Section  
16 12 of Article IV of the California Constitution, has been identified  
17 as related to the budget in the Budget Bill, and shall take effect  
18 immediately.